

## **Minutes of the Finance Committee**

**Wednesday, November 2, 2005**

Chair Haukohl called the meeting to order at 8:45 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Jim Behrend, Bonnie Morris, Joe Marchese, Ken Herro, and Don Broesch. **Absent:** Genia Bruce.

**Also Present:** Legislative Policy Advisor Mark Mader, Senior Services Director Cathy Bellovary, Senior Financial Analyst Steve Krafcheck, Administration Director Norm Cummings, Waukesha Housing Authority Executive Director Dave Cappon, Mark Slesar of Robert W. Baird & Co., Budget Manager Keith Swartz, Accounting Services Manager Larry Dahl, Systems Technology Administrator Al Mundt, Treasurer Pam Reeves, and Principal Financial Projects Analyst Bob Ries. Recorded by Mary Pedersen, County Board Office.

### **Approve Finance Committee Minutes of Previous Meeting(s)**

MOTION: Marchese moved, second by Broesch to approve the minutes of October 5, 2005.

Motion carried 6-0.

MOTION: Morris moved, second by Herro to approve the minutes of October 11, 2005. Motion carried 6-0.

MOTION: Herro moved, second by Broesch to approve the minutes of October 12, 2005.

Motion carried 6-0.

MOTION: Behrend moved, second by Broesch to approve the minutes of October 14, 2005.

Motion carried 6-0.

MOTION: Morris moved, second by Marchese to approve the minutes of October 17, 2005.

Motion carried 6-0.

MOTION: Broesch moved, second by Herro to approve the minutes of October 19, 2005.

Motion carried 6-0.

MOTION: Morris moved, second by Broesch to approve the minutes of October 20, 2005.

Motion carried 6-0.

MOTION: Herro moved, second by Marchese to approve the minutes of October 24, 2005.

Motion carried 6-0.

### **Schedule Next Meeting Dates**

November 16<sup>th</sup> – 8:45 a.m.

### **Chair's Executive Committee Report of 10-31**

Haukohl said at the last Executive Committee meeting, they heard standing committee reports and they reviewed a UW-Extension grant for a program called Mother Read, Father Read to encourage parents to read to their children. A post evaluation will examine such things as reading grades improvements.

### **Announcements**

Marchese said Airport staff are impressed with the new snowplow and Public Works Director Rich Bolte had good things to say about the new crane at the County's highway shop. Marchese went on to express concerns with funding cuts from the CTH Q project.

### **Review Correspondence**

Haukohl advised of a report by the Wisconsin Taxpayers Alliance dated November 25, 2003 which states larger county boards spend less per capita than smaller county boards.

### **Ordinance 160-O-076: Department of Senior Services to Accept Medicare Prescription Drug Improvement and Modernization Act Allocation**

Bellovary and Krafcheck were present to discuss the ordinance which involves accepting the second part of the Medicare Part D Modernization Act allocation totaling \$37,949. They will be contracting with Senior Law who will do a good portion of the education for the elderly on this very complex and complicated program implemented by the federal government.

Haukohl agreed with Herro who had concerns that we're taking on a huge initiative when it shouldn't be a burden on the County. Bellovary understood his concerns but said they believe this falls under their Benefit Specialist Program because they will be getting phone calls from clients who need help. However, once the funding is gone in September of 2006, all inquiries and questions regarding the program will be referred to the State.

MOTION: Marchese moved, second by Behrend to approve ordinance 160-O-076. Motion carried 6-0.

### **Ordinance 160-O-075: Appropriate Additional Expenditure Authority for Employee Sick Leave Payouts to the 2005 Non-Departmental Budget**

Cummings distributed copies of "Waukesha County 1994-2005 Retiree Plan Loss Ratio." Cummings and Dahl were present to discuss this ordinance as outlined. Enrolled resolution 158-11 designated a fund balance reserve for the purpose of funding sick leave payouts. These designated reserves total \$600,000. This ordinance appropriates \$320,000 of the designated reserves within the Non-Departmental budget to cover the costs of sick leave payouts made to employees in larger departments who retire over and above the normal costs covered by vacancy and turnover savings – basically for those in the baby boomer population. Cummings explained this issue in detail including the budgeting process. He said it is a more conservative approach but it will stabilize departmental operating budgets for the next few years.

MOTION: Herro moved, second by Behrend to approve ordinance 160-O-075. Motion carried 6-0.

### **Resolution 160-R-012: Resolution Approving Issuance of Refunding Revenue Bonds by the Waukesha County Housing Authority (The Arboretum Project)**

Dahl, Cappon, and Slesar were present to discuss this issue as outlined. Dahl said the Housing Authority is asking to issue for refinance, bonds to complete The Arboretum Project.. Cappon added that they are simply taking advantage of lower interest rates. Dahl advised this requires County approval but there is no liability on the County's part. Cappon said nor will this have any affect on the County's bond rating. He noted that the Arboretum is an assisted living facility in Menomonee Falls with a certain percentage of affordable units. It is owned by the Laureate Group, an outstanding locally owned company.

MOTION: Broesch moved, second by Marchese to approve resolution 160-R-012. Motion carried 6-0.

### **Contract Procurement Process for Internet Service Provider**

Mundt indicated the contract for the County's Internet service provider was awarded to Time Warner Telecom, the highest rated proposer, for a total contract cost of \$84,140 for a five-year period. The first year cost is \$18,428, the same as the budgeted amount, and the cost for each year thereafter is \$16,428. A total of three vendors submitted RFP's for consideration.

MOTION: Broesch moved, second by Marchese to approve the contract procurement process for the County's Internet service provider. Motion carried 6-0.

### **Final Report on In-Rem Foreclosure Actions**

Reeves said they are only taking four small remnant parcels of land and there will be an auction on Monday, December 5<sup>th</sup>. It will be advertised in the Waukesha Freeman for three weeks prior to that date. Reeves said they received another offer on the building they took last year on Appleton Avenue in Menomonee Falls. However, the interested party's financing did not materialize and the offer fell through. Another offer is pending which she hopes will be finalized in December.

### **State Legislative Update**

In Krahn's absence, copies of his report on current and pending state legislation were distributed.

### **3<sup>rd</sup> Quarter Status Report on County Investments**

Ries said the return for the 3<sup>rd</sup> quarter increased from 0.79% to 0.83%. This increase was largely due to the eleven 0.25% increases (for a total of 2.75%) in interest rates by the Federal Reserve since the middle of 2004. Returns for the money market accounts continued to rise due to the interest rate increases by the Federal Reserve. Money market returns averaged 3.32% in the 3<sup>rd</sup> quarter, up significantly from lows of 0.9% in mid 2004 but well below the highs of 6.5% in 2000. Since the Federal Reserve has given no indication that they expect to stop raising interest rates, staff anticipate the returns for the money markets to continue upward. Ries went on to review his report which included information on valuation at cost, valuation at market, total investment income for 1997 through 2005, and investment portfolios / portfolio holdings.

### **Review Future Agenda Items List**

The committee reviewed and edited their future agenda items list.

MOTION: Herro moved, second by Behrend to adjourn at 10:40 a.m. Motion carried 6-0.

Respectfully submitted,

Bonnie J. Morris  
Secretary